



PROMéxico
Trade and Investment

Snapshot of Mexico

Population: 112 million (11th)

Economy Rank: 14th

2012 GDP: 4% - 4.5%

Exports: \$350 billion (10th), 1st in Latin America,

FDI: Annual flows of over \$20 billion

International Reserves: \$ 142 billion dollars

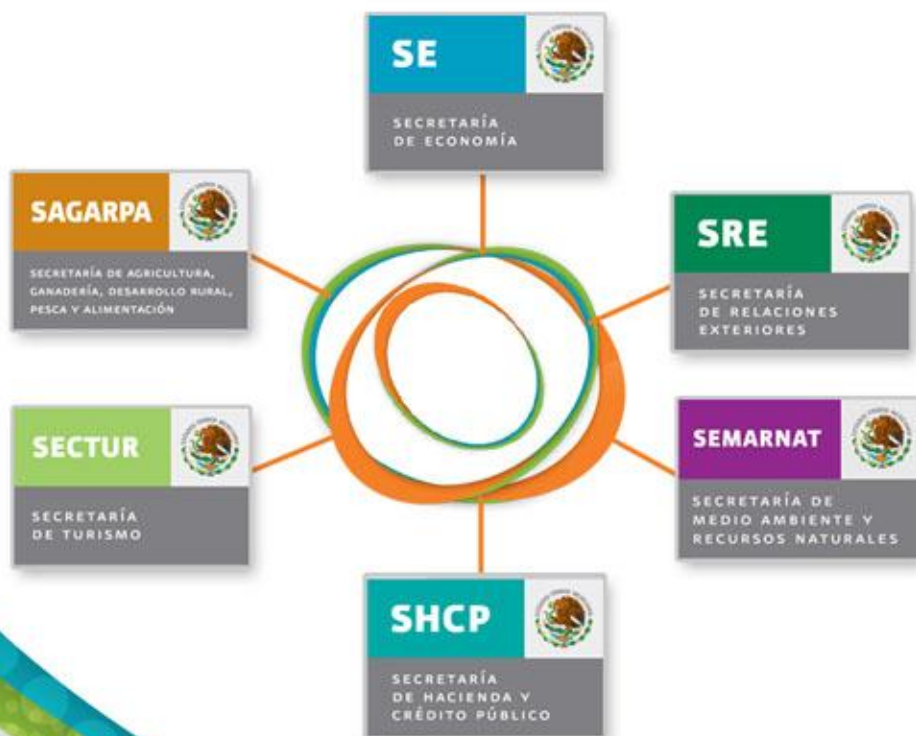
Universities: 2,363 institutions, 2.7 million enrolled students,
539,640 Undergraduates (28.4% in Engineering &
Technology)



What is ProMéxico?

Mexico's Trade & Investment Agency

- Strongest board ever
- Aligned to actor's incentives
- Coordinated
- Proactive
- Presence in 32 states & in 141 countries
through Ministry of Foreign Affairs, Sagarpa,
- Economy and Promexico offices.
- + States and Private Sector



Our main objectives:

- * Attract Foreign Direct Investment into México
- * Promote Mexican products and services worldwide

How:

- * 30 offices around the world and 32 within México
- * Strong global network at private and public levels
- * Free of charge professional services



Services provided by PROMEXICO:

- * Build-to-Suit business and investment seminars
- * Business agendas in Mexico
- * Site selection assistance
- * Due diligence support
- * Government Incentives
- * Business Executive assigned to your project
- * Aftercare
- * Search for contract manufacturers in Mexico
- * Professional Referrals
- * Any information you may request



Region that ProMexico LAX covers

* Office located inside of the Mexican Consulate in Los Angeles.



Investment



SECTORS

Investment Opportunities

Aerospace

Automotive

Renewable Energy

Medical Devices

Biotech

Film Industry

Electronics

Metal Mechanics

Plastic

Research & Design

IT

Senior Care Services

Investment

How to land a project in Mexico?

- * Stand Alone Operation
- * Shelter
- * Joint Venture
- * Outsourcing



Investment

Where do we start ?

- * Determine why would you like to consider Mexico as an option.
 - a. Cost Center
 - b. Profit Center
 - c. Both
- * Mexicans not only exceed in manufacturing. Consider Mexico as an option to develop engineering and R&D projects.
- * Determine one or two Project Leaders (very important!). You should not pick this person just because he or she speaks Spanish.
- * Contact ProMexico, or any EDC office from the region you would like to explore.



Investment

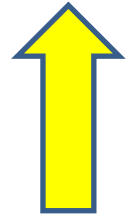
Important Factors to consider in Soft Landing Process

1. Workforce
2. Location and Facility
3. Local community characteristics
4. Market Access and Logistics
5. Quality of Life



Sourcing & Imports

- * Mexican small and medium companies offer an attractive option as contract manufacturers.
- * Your products, blueprints and processes will be safe in Mexico.
- * Keep in mind that there are limits to what Mexican small and medium companies can manufacture currently.
- * The best way to find a potential supplier in Mexico, is to hire professional assistance or contact ProMexico.
- * Most Mexican potential suppliers will be able to communicate in English, nevertheless, you should always have someone in your team that can translate.
- * It is important to ask for the following:
 - Current capacity
 - Years of operation
 - Referrals (past and current clients)
 - Number of employees
 - Certification (if needed)
 - Countries where they have exported



Exporting

How to enter the Mexican market?

* Determine your goal

- What is the market potential?
- Which product or services should you offer?
- Which client segments should you focus upon?
- What are the barriers to successful entry?
- What's the competitive landscape?

* Determine a model to enter the Mexican market

- Joint Venture
- Sales team traveling to Mexico
- Sales rep
- Stand alone (setting up an office in Mexico)
- Create a Mexican company



Commercial Opportunities

- Food (fresh & processed) and Beverages
- Gifts and Decorative Items
- Furniture
- Building Materials
- Metal Mechanics
- Recycled Products
- IT



Commercial and Investment Opportunities

Leading Industry Sectors in Mexico (www.export.gov/mexico)

[Agribusiness](#)

[Automotive Parts and Supplies](#)

[Education and Training Services](#)

[Energy Sector](#)

[Environmental Sector](#)

[Franchising Sector](#)

[Housing and Construction](#)

[Internet and IT Services](#)

[IT Health Care](#)

[Packaging Equipment](#)

[Plastic Materials/Resins](#)

[Security and Safety Equipment and Services](#)

[Telecommunications Equipment](#)

[Transportation Infrastructure Equipment and Services](#)

[Travel and Tourism Services](#)

[Agricultural Sector](#)



March 13, 2012:
Mexico will become the seventh largest economy in the world in 2020

Jim O'Neill, Head of Investment Funds of Goldman Sachs, predicted that Mexico could become the seventh largest economy in the world in 2020, ahead of Russia and India. During the business forum "Mexico Week", he told British investors that Mexico "should be on the radar" in the coming years as it will be one of the fastest growing economies. Mexico is part of the so-called "growth markets", a concept created by O'Neill in 2010. The same creator of the concept BRIC economies (Brazil, China, India and China) said that "in the last ten years the BRIC economies have contributed to one third of the growth in global GDP and represent a quarter of the world economy," but attention is currently shifting to "growth markets." The executive noted that Mexico will grow 3.6% this year, the same rate as Brazil; while in 2013, it will grow 3.8% annually. O'Neill said Mexico will contribute with 7.8% of the global GDP, ranking seventh in terms of market share of world GDP.

American Chamber /Mexico ***“Foreign Direct Investment in Mexico: Is your Investment Safe?”*** can attest to the fact that **Mexico remains a country where it is safe to invest and where there are very good business opportunities.**

Mexico is in fact a highly stable country both economically and socially.

Doing business with Mexico has advantages:

- * Similar culture and business etiquette
- * Same Time Zone
- * English is widely spoken
- * Availability of professional services
- * Less expensive logistics
- * Growing Mexican market



Final Recommendations

- * **Keep your mind open...**investing in Mexico is not as complicated as some may think. There are more than 16,000 foreign companies successfully doing business in Mexico every day.
- * **Do your homework...**you'll be amazed on how easy it can be...key elements: *Due Diligence and TEAM WORK!*
- * **Know your allies...**always get professional support, rely on federal, state and city EDC's, Mexican Consulates and their best feature is...**there's no cost!**
- * **Ask, ask, and ask** as many times as you need until the light at the end of the tunnel appears...(It's always useful to hear someone who went through the same process)
- * **Enjoy the adventure!**



THANK YOU / GRACIAS !



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